

**Congress of the United States**  
**Washington, DC 20515**

February 16, 2010

Julius Genachowski  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC

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Dear Chairman Genachowski,

As you know, the American Recovery and Reinvestment Act requires the FCC to develop a national plan to ensure that all Americans have access to broadband and the FCC must deliver its plan to Congress by March 17, 2010. The plan also must provide a strategy for achieving maximum utilization of broadband infrastructure and greater affordability of the service for all Americans.

As our country grapples with the worst unemployment numbers we have faced in decades, it is critical that we do all we can to assist small businesses, the driving force of our economy. Yet continuing to add to the deficit is not the solution. The proposal Mr. Geiger outlines in the attached Opinion Editorial would not require any additional federal spending, and incumbent local exchange carriers would be permitted to provide access to competitors at *retail rate*.

This proposal would allow telecom innovators to gain access to the bandwidth necessary to push efficiency-enhancing, cloud-based applications to small businesses, applications such as virtualized desktops, hosted digital image and file management, high-resolution video conferencing, broadcast/live video streaming, robust data protection, cloud-based backup, and sophisticated video security systems. These advanced applications would lower start-up costs for small businesses and enable them to implement their business plans, innovate and create jobs. At the same time, the incumbent local exchange carriers would sell more bandwidth at the same prices as they sell to any other customer.

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The National Broadband Plan presents an opportunity for the FCC to bolster one of our nation's greatest assets for economic recovery - small business. As members of the House Energy and Commerce Committee which has jurisdiction over this issue, we are hopeful that the FCC's National Broadband Plan will include broadband initiatives which will specifically address the broadband needs of our small business community.

Sincerely,

A handwritten signature in cursive script, reading "Nathan Deal", positioned above a horizontal line.

Nathan Deal  
Member of Congress

A handwritten signature in cursive script, reading "Phil Gingrey", positioned above a horizontal line.

Phil Gingrey  
Member of Congress

# The Atlanta Journal-Constitution

Sunday, December 20, 2009

## OPINION: A Cashless Stimulus for Small Business

By Jim Geiger

With the unemployment rate hovering around 10 percent and our economy still mired in recession, we need our small business innovators and job creators now more than ever. Yet another round of fiscal stimulus shouldn't be the only option, particularly when recent polls indicate many Americans are growing increasingly wary of adding more to the deficit and our national debt.

So what else can the Obama administration do to help small businesses? Simple: the government can quickly adopt a few sensible rule changes that will unlock the job-creating potential of broadband businesses and drive market-based investment in innovative technology. Call it a "cashless stimulus."

The problem is that small businesses lack access to the most effective telecommunications applications — those used routinely used by larger firms. Why? The existing regulatory structure allows the big phone companies to preserve market share by denying competitors access to fairly priced bandwidth. The result is that the companies best able to build the innovative applications small businesses need to grow and compete are unable to access the bandwidth necessary to deliver those applications.

I should know: my company, Cbeyond, provides broadband applications exclusively to small businesses. Back in 1996, Congress enacted far-sighted legislation that promoted competition in the telecom markets, and that action drove years of investment, innovation and growth across our industry. New competitors introduced small businesses to innovative technologies that the Bell providers had deliberately delayed deploying for fear of undermining the monopoly profits they made from slower, older technologies.

But the age of innovation and investment in broadband technology ended several years ago. The Bush administration adopted rules that had the perverse effect of locking small businesses into the broadband status quo of six years ago, undercutting the normal business cycle of innovation and denying small businesses benefits they should have received as broadband technology improved. These rules leave the rollout of the best broadband technologies almost exclusively to the large enterprise customers; telecom competitors — the companies that were once the catalysts of innovation — are left trying to serve small businesses, the jobs engine of our economy, with antiquated technology.

For example, because the Bells hoard the bandwidth they control, small businesses cannot hope to match large enterprises in the emerging field of cloud computing. Nor do current FCC rules allow small businesses the efficiencies and cost-savings of high-resolution video conferencing, highly secure data protection and sophisticated video security systems.

Broadband applications like these don't get delivered to small businesses because the most innovative competitors are denied access to the bandwidth necessary to support them. Small businesses have no choice but to try to use 20th century business tools to create new jobs in a 21st century global marketplace.

This is not a minor issue. Small businesses inject almost a trillion dollars into the economy each year. They have created more than 93 percent of all new jobs over the last twenty years and employ more than half of the U.S. workforce. They also employ 41 percent of the nation's high-tech workers who generate about thirteen times more patents per employee than do workers at large firms.

Hence the opportunity for the administration to adopt a "cashless stimulus": the FCC can fix this problem simply and almost without cost. The FCC should require the Bell monopolies to sell — at retail prices — the bandwidth necessary for competitors like Cbeyond to provide next generation broadband applications to small businesses.

With new broadband rules in place, services like cloud computing could replace high-end desktop computers. Small businesses could look to carriers for affordable, offsite data security instead of paying more for on-site services. Reliance on expensive and inefficient travel for in-person meetings would give way to high-resolution video conferencing. Start-up costs for small businesses would fall as the hardware necessary for running their operations moved off the business premise and into the cloud. The list goes on and on.

It's time we took advantage of the one approach to economic recovery that doesn't come with a long-term economic cost.

*Jim Geiger is founder, chairman, president & CEO of Cbeyond, Inc. in Atlanta.*



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

May 12, 2010

The Honorable Phil Gingrey  
U.S. House of Representatives  
2133 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman Gingrey:

Thank you for your letter regarding the impact of broadband on small business and economic growth. I appreciate your thoughts on development of the National Broadband Plan, and your interest in the proposal Mr. Geiger outlined in the opinion piece you forwarded to me.

We are in complete agreement that broadband access is essential for small businesses and rural areas. The Plan includes recommendations, strategies, and initiatives to empower small businesses – particularly a recommendation to foster development of a public-private partnership for small businesses. The Plan also recognizes the need for tools and training to enable small businesses to maximize the benefits of broadband. Mobile broadband will play a key role in bringing access to the areas of the nation beyond the reach of standard cable and DSL services. The Plan also recommends a major transformation of the Universal Service Fund – converting it over time to broadband support and freeing up more resources to build 21<sup>st</sup> century communications networks

Mr. Geiger's company, Cbeyond, has submitted his proposal to the Commission in the form of a Petition for Rulemaking. While the Plan did not make a decision on that Petition, the Commission does plan to review its wholesale competition policies. Innovative ideas are needed and welcome as we work to establish policies that advance the benefits of broadband for small businesses, and we value thoughtful contributions like those that Mr. Geiger put forward.

I appreciate your interest in this important matter. Please do not hesitate to contact me if I can be of further assistance.

Sincerely,

A handwritten signature in dark ink, appearing to be "J. Genachowski", is written over a horizontal line. The signature is stylized with a large, sweeping "J" and a long horizontal stroke.

Julius Genachowski